

HUMAN RESOURCES MEMORANDUM 23-006		DATE ISSUED: 05/4/2023
SUBJECT: FISCAL YEAR 2022/23 LEAVE BUY-BACK PROGRAM AND CASH OUT OF VACATION/ANNUAL LEAVE		REFERENCE: CalHR Section 2104
TO: All Department of General Services (DGS) Employees		SUPERCEDES: HR Memo 22-007

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose

The purpose of this memorandum is to provide information regarding the Fiscal Year 2022/23 Leave Buy-Back Program.

The Department of General Services will participate in the Leave Buy-Back Program for the buy-back of accumulated vacation/annual leave for Excluded employees and represented employees in Bargaining Units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21.

Maximum Cash Out Hours and Applicable Leave Type

Represented Employees

Employees represented by Bargaining Units 1, 2*, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 are eligible to cash out up to 80 hours of vacation or annual leave.

*Employees represented by Bargaining Unit 2 are eligible to buy-back up to 160 hours of eligible leave.

Excluded Employees

Excluded employees tied to Bargaining Unit 2 are eligible to buy-back up to 160 hours of eligible leave, all other excluded employees may buy-back up to 80 hours of eligible leave. Eligible leave may be a combination of vacation or annual leave, voluntary personal leave, personal holiday, or holiday credit.

Procedure

For the 2022/23 Leave Buy-Back Program, employees must submit a request in [ServiceNow](#) using the Leave Buy-Back catalog item **no later than June 9, 2023, at 5:00 p.m.** Every employee must submit a request whether they choose to participate or not participate. The ServiceNow catalog item will be available under Personnel Action → Leave Buy-Back. A [Leave Buy-Back in Service Now Quick Guide](#) is available to guide employees through the process.

Employees that are unable to access the ServiceNow portal may submit a completed and signed [2023 Employee Leave Cash Out Request Form](#) or the [2023 Excluded Employee Leave Buy-Back Request Form](#) to their Attendance Clerk who will complete the ServiceNow request on their behalf. The Attendance Clerk will upload the completed form in ServiceNow and select the option to indicate the request is being

submitted on behalf the employee. The request will be processed under the employee's name that is selected. If a request is submitted on an employee's behalf without the form, participating or not, the request will be rejected.

Once submitted in ServiceNow, the request will be routed to the Office of Human Resources (OHR) Business Solutions Unit (BSU) and Personnel Transactions Unit (PTU) to review and process the submission. Email notifications will be sent from ServiceNow when a request is submitted and if it is rejected. Incorrect information or errors on the submission will cause the request to be rejected and the employee will be required to submit another request.

OHR will begin processing excluded employees on May 4, 2023, and then represented employees on June 1, 2023. Payments may be made as early as May 2023 for excluded employees, but no later than June 27, 2023, for all employees. DGS will process represented employee's requests and payments on a flow basis in the month of June and deduct the corresponding number of leave hours from the employee's available leave balances. Please allow a minimum of two (2) weeks for processing.

When payment is processed, the request will be closed in ServiceNow, and the employee will receive an email notification. Supervisors will also receive an informational email when an employee elects to participate.

The Attendance Clerk will be given a list of employees who have not submitted a response declining participation in ServiceNow by June 12, 2023, and the Attendance Clerk will follow up with employees in their office to ensure OHR receives a response from every DGS employee as required by the California Department of Human Resources (CalHR).

Compensation and Tax Rate

The rate of compensation will be at the employee's current rate of pay.

For tax purposes, payments will be ordinary income in the month that payment is made. Payments under this program are subject to the flat tax method and garnishments, if applicable. Payments are subject to the following deductions/withholdings, if applicable:

- Federal: 22%
- State: 6.6%
- FICA (if applicable): 6.2%
- Medicare (if applicable): 1.45%
- Medicare for wages over \$200,000 (if applicable): 2.35%
- SDI (if applicable): 0.09%

Questions

If you have questions regarding this memorandum, please email OHR Business Solutions Unit (BSU) at ohrbsu@dgs.ca.gov.

DORTHIA LAMPLEY, Assistant Chief

Office of Human Resources

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